Secta. II-37—108,000—21-4-48.

Finance (1948) Department.

(MS) SERIES.

G.O. No. 159

159

Dated 14.2.1948

[Despatch Abstract.]

ACCOUNTS - Changes in classification of expre. relating to Industries and Supplies in the Accounts of the Central Govt. from 15-8-47 - consequential changes in Provincial accounts - Papers recorded.

No.T.M.7-8/47-48/1517 Office of the Accountant-General, Madras
Fort St. George, dated 20-12-1947.

To

The Secretary to the Government of Madras.
Finance Department, Fort St. George.

Sub:- Changes in classifications of expenditure in the accounts of the Central Government from 15-8-1947.

Sir,

I have the honour to forward herewith a copy of the Govt. of India, Ministry of Finance letter No.D.9431-B/47 dated 6th November 1947 on the subject indicated above for information. It may be noted that the nomenclature of the existing major heads "XXXII/43- Industries" has been amplified to "XXXII/43- Industries and Supplies" so as to accommodate the expenditure of the supplies Dept. of the Government of India, hitherto shown under "46- Department of Industries and Supplies". It may be considered whether similar expenditure shown under the other heads in the Provincial accounts may be reclassified under the amplified major heads.

Sd/- xx xx
Dy. Accountant-General.

Copy of Govt. of India, Ministry of Finance, letter No.D.9431 B/4 dated the 4th/6th November 1947 to the Accountant-General, Central Revenues, New Delhi and copy endorsed to all other Accountant-Generals

---

Sub:- Changes in classification of expenditure.

...

I am directed to state that the Government of India in consultation with the Auditor General, have decided to reclassify certain items of expenditure and make certain other changes in the existing classification. These changes which will take effect from the 15th August 1947 and on the basis of which the budget to be presented to the Constituent Assembly this month is being prepared, are set out below.

(a) The expenditure on the Ministry of External Affairs and Commonwealth Rel ations will be classified under "23. General Administration - Secretariat and Headquarters Establishment - Civil Secretariats".

(b) The existing minor head "External Affairs Department Secretariat" under the Major x head "35.External Affairs" will be abolished.

(c) The expenditure on the High Commissioner for India in London will be classified under "38. External Affairs-Charges in England" under the appropriate detailed heads. The existing heads provided for this purpose under "25. General Administration" will be abolished.

(d) The expenditure on the High Commissioner ships in Commonwealth countries and the expenditure, now classified under External Emigration will be classified under "35.External Affairs. Two new minor heads "High Commissioners in Commonwealth countries and Emigration" will be opened for accommodating this expenditure under "35. External Affairs".

(e) The existing Major head "46. Department of Industries and Supplies" will be abolished. The expenditure now adjusted under xxxx this head will be adjusted under "43. Industries" under the same minor heads as are now prescribed under major head 46 which will all be opened under head 43 except that the expenditure on the Ministry of Industry and Supply will be classified under "25. General Administration - Secretariat and Headquarters Establishments" like

the expenditure on other Ministries.

(f) ~~The~~ In view of the reclassification made in paragraph (a) above the nomenclature of the existing major heads XXXII/43. Industries" will be amplified to XXXII/43-Industries and Supplies".

(g) The expenditure on the Director General, India Stores Department London will be debited to "43. Industries and Supplies-Charges in England".

(h) The expenditure on the Trade Commissioner in London the other Trade Commissioners in Europe and the two Americas and the Indian Supply Mission, London will be classified under "47 Miscellaneous Departments-Charges in England under Appropriate detailed heads.

(i) The expenditure on the contribution paid to His Majesty's treasury as the Indian Government's share of the cost of the late India Office, now the United Kingdom Ministry of Commonwealth Relations, will be classified under 25. General Administration-Miscellaneous".

The necessary formal orders regarding the opening and abolition of minor heads in the accounts will be issued by the Auditor General.

Auditor General's Letter No.508.Ac/95-47 dated the 4th December 1947 to the Accountant-General, Central Revenues, New Delhi and copy endorsed to all other Accounts General.

....

Sub:- Changes in classification of expenditure.

I have the honour to invite a reference to the Government of India, Ministry of Finance, letter No.D.9431-B/47 dated the 4th November 1947 on the subject mentioned above. As desired in paragraph 2 of that letter the Auditor General has accorded his approval.

(a) <u>To the opening of the minor heads mentioned below</u>:-

(i) High Commissioners in Commonwealth countries.	Under the major head "35.External Affairs.
(ii) ~~Mi~~Emigration	
(iii) Emigration within India	Under the major head "47 Miscellaneous Departments-Labour and Emigration.
(iv) Directorates-General	Under the amplified major head"43. industries and supplies
(v) Purchase Organisations.	
(vi) Inspection Organisations.	
(vii) Other Organisations.	
(viii) Works.	
(ix) Charges in England	
(x) Payments to His majesty's Treasury As the Indian Government's share of the cost of late India Office now the United Kingdoms Ministry of Commonwealth Relations.	Under 25.General Administration. G. Miscellaneous.

(B) <u>To the deletion of the following heads</u>:-

(i) External Affairs Department Secretariat:	under the major head "35.External Affairs".
(ii) (B) High Commissioner for India, with its minor head and foot note(175)	Under 25.General Administration.H. Charges in England.
(iii) Emigration(250) together footnote(250)	Under "47.Miscellaneous Departments-Labour and Emigration

P.T.O.

(iv) Major head 46. Department of Industries and Supplies, together with its minor heads and the connected footnote.

(v) Payments to His Majesty's Exchequer towards expenses of the Departments of the Secretary of State for India. — Under 25.General Administration.H.Charges in England.A.Secretary of State ~~xxxx~~ for India.

2. Necessary corrections to the list of Major and Minor Heads of ~~xx~~ account will issue in due course.

...

Copies furnished to Book, A.A.D., T.1.A., T.1.B., T.1.C. and T.16 for information.

Sd/-'s.s.
D.A.G.20-12-47.

Finance (B.G.)Department.

Sub:- Changes in classification in the Accounts of the Central Govt. - Adoption in the Provincial Accounts.

From the A.G., Madras No.T.M. 7-8/47-48/1517 dated 20-12-47.

Please see the letter from the A.G. and its enclosure in the cf. The A.G. has suggested that, in view of the change in the classification adopted by the Central Govt. with the approval of the Auditor General, the expre. relating to the supply Department of the Provincial Govt. may be reclassified under the head "43. Industries", the name of the major head being amplified as "43. Industries and Supplies".

2. The major head "46. Industries and Supplies" which was hitherto being operated on by the Central Govt. has not been opened in the Provincial accounts. The transactions of the Provincial Civil Supplies Dept. are at present shown under two major heads viz. "63. extra ordinary charges" and 85.A. Captial outlay an Provincial Schemes of State Trading". It is not ~~xxx~~ proposed to abolish these heads from the accounts of either the Central or the Provincial Govts. So long as these heads continue to exist, there seems to be no necessity to reclassify the expenditure on the Civil supplies Dept. to the major head "43.Industries and supplies". Moreover, as the civil supplies dept. is not a permanent dept. it does not appear worthwhile to make these alterations in the accounts now. The A.G. may be requested to state whether he agrees the above view.

It is not clear whether the A.G. contemplates this at all

A.Secy.

So far as this Govt. is concerned, action seems necessary in regard to two points, ~~xxxx~~ namely, (a) change in the nomenclature of the major heads XXXIII and 43 Industries" and (b) reclassification under the above heads of expenditure now shown under other major heads- In regard to(a) on p.1 above, the change in nomenclature is presumably to be given effect to in provincial accounts also. The necessary alterations may be made in the detailed estimates for 1948-49.

As regards to (a) on p.1 above, the change in nomenclatu
is presumably to be given effect to in P

As regards (b) on p.1 above, it does not appear that there is any expenditure now classified under ~~the~~ other heads which can be reclassified under XXXII and 43. Industries and Supplies. As pointed out on p.1 above, the expenditure on account of the Civil Supplies Dept. is presumably not intended to be reclassified under "43 Industries and Supplies". The expenditure relating to textile*control is already shown under "43 Industries" and the question of reclassification of the expenditure will not arise. There seems to be other expenditure to be considered in this connection.

The A.G. may kindly see U.O. for remarks, if any, and return the file at a very early date, as the change in the nomenclature of the heads "XXXII and 43 Industries will presumably have to be given effect to in the B.E. 1948-49.

A.G.'s Office, Madras.

It would be more appropriate to classify the expenditure on account of the Civil Supplies Dept. including price control and rationing establishments, under the minor heads approved to be opened under the amplified major head"43. Industries and Supplies" by the Auditor General, than under the existing heads '63.Extra-ordinary charges' and 85-A Capital outlay etc.' But in view of the fact that these organisations are temporary, it is agreed that no reclassification need be made in the accounts at this stage. The question may be considered when any of ~~the~~ these temporary organisations are found to be required permanently.

Sd/- S.Sundaram
Dy. Accountant General

M.G.Finance (B.G.) U.O.
A.G.Madras U.O.No.T.M.7-8/47-48/1746 dated 3-2-48.

Finance (B.G.)

Please see the note of the A.G. on page 2 above. The A.G. has agreed that no reclassification of the Civil supplies Dept. and be made at this stage. With ref. to A. on p.2 above, the necessary alterations in the nomenclature of the major heads will be made by the Finance (B.C section. No further action seems called for for the present. These papers may be

RECORDED.

G.O.No.159 dated 14-2-48.

Accounts -Changes in classification of the expenditure relating to Industries and Supplies in the Accounts of the Central Govt. from 15-8-1947 - Consequential changes in Provincial accounts - Papers Recorded.

Sd/- Secy.

-/True copy/-

Superintendent
Madras Record Office.

RCB/

2576